

Message Text

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ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01
DOE-15 /136 W
-----014629 140821Z /10

R 131544Z JUL 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 0209
USDA/FAS WASHDC
INFO EC COLLECTIVE
USMISSION GENEVA

UNCLAS SECTION 01 OF 02 BONN 12839

USEEC ALSO FOR EMBASSY; USMTN ALSO FOR USMISSION; FAS
FOR OYLOE

E.O. 11652: N/A
TAGS: EAGR, ETRD, MTN, GW
SUBJECT: FREE TRANSLATION OF MINISTER ERTL'S STATEMENT
RE US-EC TRADE

ON MONDAY, JULY 12, MINISTER ERTL MADE THE FOLLOWING
STATEMENT IN BONN REGARDING AGRICULTURAL TRADE RELATIONS
BETWEEN THE EC AND US:

1. IF THE US ASKS THE EC FOR AN INCREASED REDUCTION IN
AGRICULTURAL TRADE BARRIERS (AND NOT ONLY IN CONNECTION
WITH CURRENT GATT NEGOTIATIONS), THEN IT IS NECESSARY
FOR ME TO POINT OUT SOME DATA CONCERNING AGRICUL-
TURAL TRADE BETWEEN THE EC AND THE US AND TO EMPHASIZE
THE FACT THAT THE AMERICANS ALSO PROTECT US AGRICULTURE
WITH NUMEROUS IMPORT RESTRICTIONS.

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2. THE EC IS THE MOST IMPORTANT MARKET FOR US AGRICUL-
TURAL PRODUCTS. IN 1977, 28 PERCENT OF US AGRIC. EXPORTS
WENT TO THE EC, I.E. 6.63 OF 23.67 BILL. DOLLARS. THE
US INCREASED EXPORTS INTO THE EC BY 3.2 PERCENT DURING
THE LAST YEAR AND BY 15.3 PERCENT IN THE PREVIOUS YEAR,
WHILE TOTAL US AGRIC. EXPORTS IN THE COMPARATIVE TIME
ONLY INCREASED BY 5.1 AND 2.9 PERCENT RESPECTIVELY.

3. THIS FAVORABLE DEVELOPMENT IS ESPECIALLY NOTICEABLE WHEN OBSERVED ON A LONG-TERM BASIS. AFTER ESTABLISHMENT OF THE EC, THE US WAS ABLE TO CONTINUALLY INCREASE US AGRIC. EXPORTS INTO THE EC MEMBER COUNTRIES. FOR EXAMPLE, THE RESULTS OF 1977 WERE APPROXIMATELY 239 PERCENT ABOVE AVERAGE WHEN COMPARED WITH THE YEARS 1966 TO 1970 (1.95 BILL. DOLLARS). CRITICS OF THE EC AG.POLICY WOULD PROBABLY BE SURPRISED TO HEAR THAT US AGRIC.EXPORTS, WHICH ARE SUBJECT TO LEVIES WHEN EXPORTED TO THE EC, HAVE INCREASED MORE THAN EXPORTS NOT SUBJECT TO THESE LEVIES. WITH REGARD TO THIS DEVELOPMENT AND THE FACT THAT THE COMMUNITY IS THE LARGEST MARKET FOR US AGRIC. PRODUCTS, THE STATEMENT, THAT THE EC FOLLOWS A DISCRIMINATING AND PROTECTIONIST POLICY AGAINST THE US, CAN HARDLY BE MAINTAINED.

4. EC AGRIC. EXPORTS INTO THE US AMOUNTED TO APPROX. 1.4 BILL.DOLLARS LAST YEAR, WHICH MEANS THAT THE US REACHED A SURPLUS OF ABOUT 5.2 BILL. DOLLARS IN TRADING AGRIC. PRODUCTS WITH THE EC. ABOUT 50 PERCENT OF THE US TOTAL AGRIC. TRADE SURPLUS WAS WITH THE EC. THIS FAVORABLE RESULT IS PARTLY DUE TO THE FACT THAT EUROPE IMPORTED SOYA FREE OF LEVIES AND DUTIES. AT THE SAME TIME THE US CLOSES ITS MARKET TO EC ORIGIN PRODUCTS WHICH RESULT FROM THE USE OF US SOYBEANS

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AND OTHER US FEEDSTUFFS, THROUGH PROTECTIONIST MEASURES. IF THE US COMPLAINS ABOUT THE SO-CALLED

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 0210

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INFO EC COLLECTIVE

USMISSION GENEVA

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EUROPEAN AGRIC. PROTECTIONISM, WHICH HAS BEEN CLEARLY REFUTED BY THE ABOVE-STATED EXPORT DEVELOPMENT, AND DEMANDS INCREASED EXPORT POSSIBILITIES FOR US AGRIC. PRODUCTS ON THE EUROPEAN MARKET, THEN THE AMERICANS HAVE TO BE PREPARED TO IMPORT EC AGRIC. PRODUCTS, MAINLY OF EC ORIGIN.

5. THE MULTI-LATERAL GATT TRADE NEGOTIATIONS (THE SO-CALLED TOKYO ROUND), WHICH ARE NOW IN THEIR FINAL PHASE, MUST REACH A SUCCESSFUL AGREEMENT, THE INTERNATIONAL TRADE RELATIONS DURING THE COMING YEARS SHOULD NOT BE BURDENED AND THE NECESSARY WORLD-WIDE AGRIC. DIVISION OF LABOR SHOULD NOT BE CONSIDERABLY IMPEDED BY THE US ATTITUDE. A SUCCESSFUL CONCLUSION OF THESE NEGOTIATIONS CAN ONLY BE POSSIBLE, IF BALANCED TRADE RESULTS CAN BE ACHIEVED. THE COMMUNITY IS WILLING TO MAKE A SUBSTANTIAL CONTRIBUTION TO A SUCCESSFUL GATT-ROUND. HOWEVER, THE US HAS TO REALIZE THAT AGRIC. UNCLASSIFIED

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TRADE CANNOT BE A ONE-WAY STREET. US REQUESTS WILL RECEIVE UNDERSTANDING, IF UNILATERAL DEMANDS ARE NOT MADE TO THE EC. THE US SHOULD ALSO BE WILLING TO ALLOW THE EC TO HAVE AN EASIER ACCESS TO THE AMERICAN MARKET (AND THESE REQUESTS ARE JUSTIFIED) AND, AS AN INDUSTRIAL COUNTRY, TO COOPERATE IN A WORLD WITH DIVISION OF LABOR IN THE AGRICULTURAL SECTOR. STOESEL

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